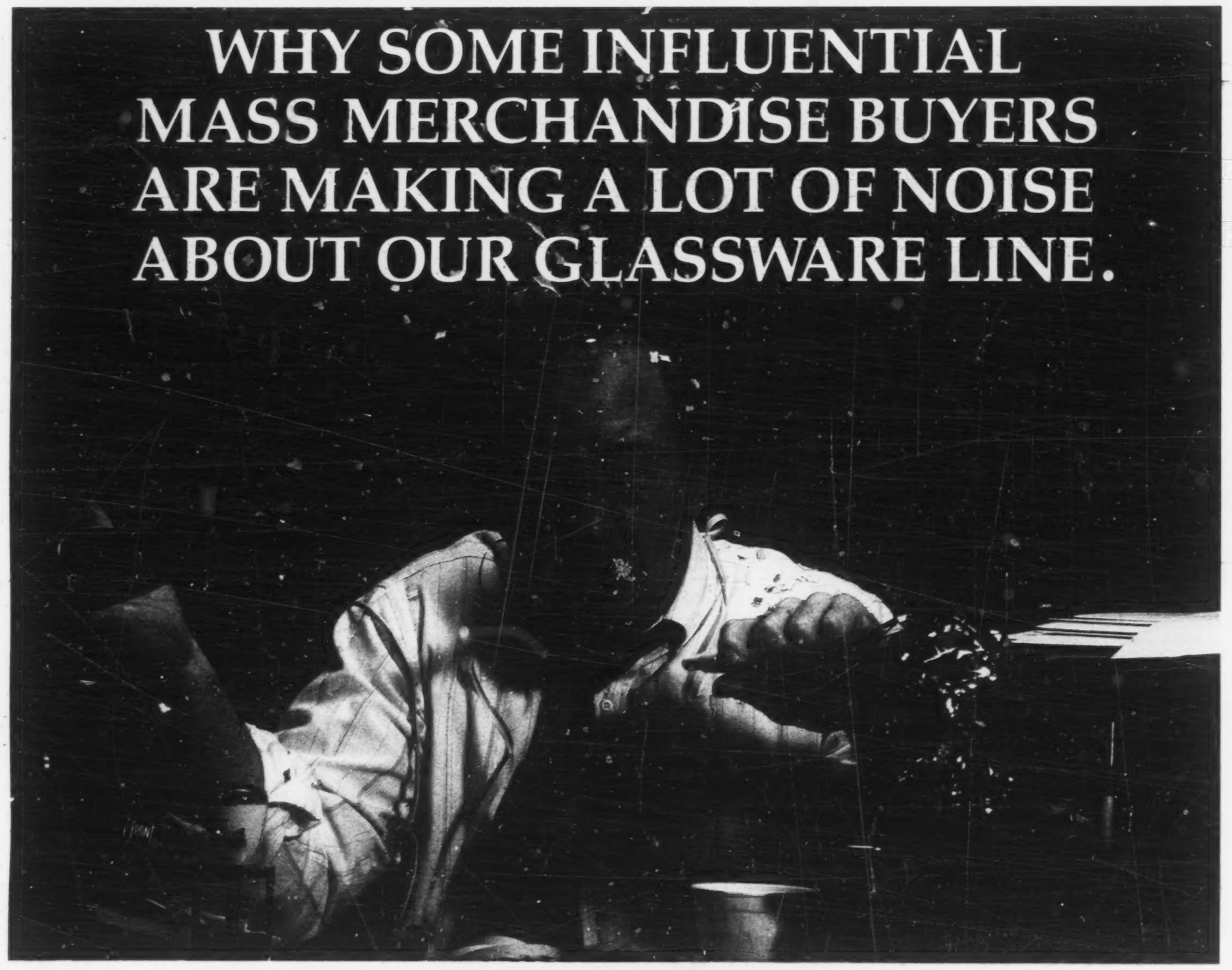
PRODUCT MOVEMENT AUDIT: HOUSEWARES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	BATH			
1	Selfix 2353 Lg Shower Caddy wh	2,315	5.12	11,852.80
2	Selfix N443 Portable Shower Spray	1,026	10.79	11,070.54
3	Magnolia M100 Molded Toilet Seat wh	1,017	9.44	9,600.48
4	Magnolia M3000A Padded Seat wh	466	17.54	8,173.64
5	Selfix C441 Selfix Shampoo Spray	2,988	2.33	6,962.04
6	Selfix 2351 Shower Caddy wh	2,077	3.14	6,521.78
7	Magnolia M3000A Padded Seat Parch	369	17.54	6,472.26
8	Magnolia M3000A Padded Seat b1	368	17.54	6,454.72
9	Selfix 2110 Selfix Twin Hook	4,186	1.52	6,362.72
10	Magnolia M3000A Padded Seat br	316	17.54	5,542.64
11	Magnolia M200 HiRise Toilet Seat	310	14.39	4,460.90
12	Selfix 2298 Selfix Tissue Holder	1,987	2.24	4,450.88
13	Ekco 38890 Toilet Tissue Holder	1,702	2.51	4,272.02
14	Ekco 38110 18" Towel Bar	1,584	2.69	4,260.96
15	Selfix 2274 Towel Bar 24"	1,710	2.33	3,984.30
16	Ekco 38160 24 Twin Towel Bar	793	4.76	3,774.68
17	Ekco 38170 24 Towel Bar	1,233	3.05	3,760.65
18	Ekco 38120 12" Towel Bar	1,418	2.42	3,431.56
19	Magnolia M110 Sq Back Toilet Seat bl	256	12.59	3,223.04
20	Magnolia M110 Sq Back Toilet Seat par	255	12.59	3,210.45

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	GADGETS			
1	Swing A Way 107 Swing Way Jr. Open	6,409	2.69	17,240.21
2	Swing A Way 407 R Swing Away Opener	3,302	5.21	17,203.42
3	Rhodes 29031-UC Timer wh	1,319	7.64	13,897.16
4	Range Kleen 102 Range Reflector 8"	4,451	3.05	13,575.55
5	Range Kleen 101 Range Reflector 6"	4,865	2.60	12,649.00
6	Rhodes 29035-UC Timer alm	1,596	7.64	12,193.44
7	Intermatic D811B Cordless Timer	833	12.59	10,487.47
8	Ekco 00050 Stainless Peeler	6,346	1.61	10,217.06
9	Intermatic D711B Supercop Plug-in Time	781	10.79	8,426.99
10	Range Kleen 106A Reflec Pan-GE Hot Pt-8	4,051	1.97	7,980.47
11	Range Kleen 105A Reflec Pan-GE Hot Pt-8	5,536	1.43	7,916.48
12	Lux 0001-16/2428 Lux Timer	682	10.79	7,358.78
13	Ekco 08840 $ Way Can Opener	4,173	1.61	6,718.53
14	Range Kleen 104A Range Reflector 8"	3,319	1.97	6,538.43
15	Range Kleen 103A Range Reflector 6"	4,547	1.43	6,502.21
16	Intermatic D111B Plug-in-Timer	694	8.99	6,239.06
17	Helmac 39 RC Lint Refill	2,966	2.06	6,109.96
18	Forster 1336/2580 Rolling Pin	1,386	4.22	5,848.92
19	Foley 101 Foley Food Mill	464	11.69	5,424.16
20	Chaney 760 Meat Thermometer	2,627	2.06	5,411.62

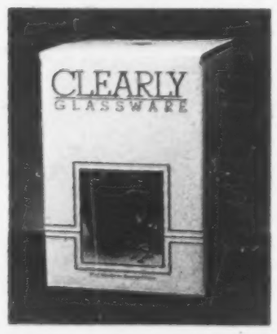
Source: HalMar Distributors, Holyoke, Mass., for the Jan. 1, to Feb. 26, 1986 period, covering more than 500 stores, including 400 discount department stores from New England to the Carolinas. Average retail prices reflect typical price points for discount chains.

WHY SOME INFLUENTIAL MASS MERCHANDISE BUYERS ARE MAKING A LOT OF NOISE ABOUT OUR GLASSWARE LINE.



Mass merchandise retailers know that the glassware market is up for grabs. But they also know the product category is evolving—and as it changes, trend-setting merchandisers are seeking resources well-suited to their unique needs. *Enter "Clearly" from Crisa—the line tailor-made for mass merchandisers.* After many years of success in department and specialty stores, we have created an innovative, comprehensive glassware program designed for one purpose—to maximize your profits. With nearly 100 SKU's, "Clearly" offers a breadth of line

unmatched by any other manufacturer—from handblown serveware to machine-made decorated tumblers, from opal borosilicate mugs and bowls to tempered dinnerware sets, Crisa covers the entire glassware spectrum with high-quality products offering classic design and value your customers will appreciate. ***The overall program is as solid as the product line.*** Strong consolidated packaging, sales support, a competitive discount structure, strong promotional pricing—"Clearly" delivers everything you need for consistent profitability. And our entire program is backed up by the capabilities of Crisa, one of the world's largest glassware manufacturers. ***Let us prove it.*** Act ***now*** to find out for yourself what all the noise is about.



Ask your Crisa rep about our promotional items & pricing!

CRISA CLEARLY GLASSWARE

CRISA CORPORATION
Profitable ideas in glassware
101 East Park Boulevard, Plano, TX 75074
In Dallas 800-643-9093, in NY 800-253-1011,
in LA 800-533-7621

Housewares

(Continued from page 68)

place very successfully. Silverstone will continue to hold a strong share of the market, but retailers are getting into the lower-priced alternatives for promotional purposes.

Manufacturers are coming out with these offerings in shrink-wrapped combinations like an 8-in. and 10-in. frying pan or an 8-in. fryer with a griddle pan.

Some retailers are also beginning to insert the lower priced nonstick cookware into their basic assortments.

We'll also see more activity in stainless steel cookware. When interest rates go down, as they have now, people seem to buy better-quality goods for the long term rather than inexpensive sets.

This means that retailers will probably promote the stainless steel sets more often, as well.

New Introductions

In Pyrex cookware, we will be seeing some new Corelle patterns as well as some roaster introductions. Some of the cookware, such as casserole dishes, is now being packaged in wood frames in addition to the baskets, which should give additional sales to discounters.

Also, a new rebate trend is emerging in cookware. Some manufacturers, including Corning, are putting rebate coupons applicable to another item inside packages. These programs are mostly available in cookware sets.

Another strong category for the last half of the year will be bath, such as accessories and towel bars. In the past, manufacturers were making the items more fashionable and offering them at higher price points. Now, they're dressing up the items a little bit and maintaining good price points.

For promotions, discounters will certainly be concentrating on microwave cookware, especially the small plastics that go directly from the freezer to the microwave. Disposable microwave cookware that can be used 20 to 30 times is going to be big, too, because it's inexpensive and utilitarian.

This business is really being driven by strong sales of compact microwave ovens.

Promotional Activity

I also think there'll be a lot of promotional activity in glassware combinations and in sales of glasses by the case. Bulk glassware is easy to handle and gives a pretty good sale. There are some good pricings now on 12-beverage glass sets.

Overall, the first few months of this year have been very satisfying for discounters. Business has been up, and inventories are much better—much more in line than they were the same time last year.

The new direction is going to be replenishing what you're selling, and retailers will carry that strategy right through the end of the year.

C5150-3

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

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Best Tackles Seattle, Minneapolis Markets in Consolidation Effort

RICHMOND — Best Products has started work in two markets, Seattle and Minneapolis, on its 1986 program to refurbish former Modern Merchandising showrooms and change their logo to Best.

The first group of refurbishings encompasses 15 units, nine Jafcos in Seattle and six LaBelle's in Minneapolis.

Best will close the LaBelle's in the Columbia Heights suburb of Minneapolis early next month, a move that will cut the total number of showrooms the company operates to 212. That LaBelle's had one of the lowest sales of any company showroom and will be only the second store Best has closed in the past four years.

This year's updating and renaming effort is part of a $100 million, two-and-a-half-year program to renovate 107 showrooms, or about half the chain, that was launched last summer. Most of the units are in the six chains that comprised the former Modern Merchandising company which Best acquired four years ago. (The four Rogers in Michigan and two Miller Sales in Ohio were given the Best name last year.)

When the endeavor is completed next year, it is expected to extend to the last 28 of the 74 former Modern Merchandising showrooms and include renaming those stores. The company then be able to promote a common Best logo in 28 states.

Best launched the refurbishing program last year by fully or partly renovating 20 older Best showrooms and two LaBelle's.

The revamping and renaming of this year's initial 15 showrooms is due to be completed in early June. The Jafcos in Lynwood, Tacoma and Federal Way, Wash., will be completely renovated to follow Best's new showroom prototype (see *DSN*, June 10, 1985, p. 8A), while the six other stores in the Greater Seattle market will get partial remodelings that will center on the key jewelry department.

In the Minneapolis market, the units in Roseville, Brooklyn Center and Nicollet will be

(Continued on page 57)

Conran's New Haven, Conn., unit exemplifies the Home Store concept that integrates merchandising the core categories of ready-to-assemble furniture with housewares and domestics.

Discounters Eye New Competition

Home Stores Shape Furnishings Trends

Nationwide DSN Report

The success of home stores, the retail concept exemplified by the likes of Conran's, IKEA and Fortunoff's, continues to attract the ardent interest of discounters and catalogers carefully watching the way these retailers have captured the mass market consumer with a taste for modern and European styles in home goods.

The major players in the game have capitalized on a crucial change in the key home market category of ready-to-assemble furniture: The successful introduction of better-quality, more fashionable goods which can still be quickly assembled and sold as moderate price alternatives to case goods.

These players have shaped their concept around this better quality RTA furniture merchandised in a room presentation with housewares, home textiles and, depending on the store, traffic appliances, consumer electronics, toys or hardware. In doing so the home store retailers have proven it is not only possible but profitable to combine volume with fashion to an extent that previously was unprecedented.

Much of the success of both Conran's and IKEA is attributed to the fact that they create their own specifications for the goods they buy. That has enabled them to obtain quality RTA at price points that are attractive to the mass market.

Discounters and catalogers have clearly eyed the success of these mass market interlopers and are reshaping their own mixes and assortments to meet the desire for more fashion in the mass market home goods business. Buying staffs have been reshaped at many chains like Caldor to reflect a new emphasis on home products, which no longer stand as a poor stepchild to either hard

(Continued on page 58)

Bradlees Plans to Debut PL Credit Card in Philly

BRAINTREE, Mass. — Bradlees is launching a private label credit card program which the chain plans to debut in the intensely competitive Philadelphia market.

The move appears to have been sparked by the chain's effort to maintain a customer sevice feature which had been offered in the 16 former Jefferson Ward stores Bradlees is now operating in Philadelphia.

"The Bradlees card will replace the Jefferson Ward credit cards in our Philadelphia stores," C. Robert Peacock, senior vice presdient, finance, stated in a release.

Bradlees will introduce the card May 1 in the Philadelphia market, where the chain faces off against Clover, K mart and Caldor. The sevice will be available in the Richmond, Va. and northern New Jersey stores before the end of the year, and chainwide by the end of next year.

While most chains accept third-party credit cards, Clover and Caldor are among discount chains that accept private-label cards. Clover accepts the long-established credit card of its parent department store, Strawbridge & Clothier. Caldor has had its own card for 13 years.

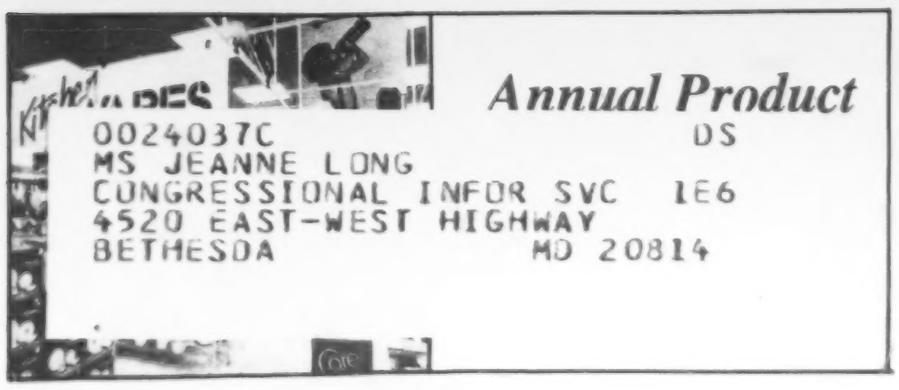
Although top officials at Bradlees declined to comment further on the new credit card, a recent survey published by the credit card operators the chain has tapped, Citicorp Retail Services, found that customer loyalty is a major reason retailers develop proprietary credit cards.

The survey, which focused on department stores, also found that proprietary credit card customers accounted for 56% of total sales up from 45% 10 years ago.

Proprietary credit cards also provide the retailer with an important strategic tool. In addition to direct mail capabilities, the card file can provide a retailer with important geographic information on its customers, the study found.

"One executive stated he could fill the store at will with customers receiving promotional material sent with billing statements," the study reported.

Bradlees ended fiscal 1985 with a 64% drop in earnings and going forward, Stop & Shop has made staging a turnaround at the chain top priority.



Zale Will Spin Off O.G.Wilson

IRVING, Tex. — A number of unidentified retailers are considering acquiring the O. G. Wilson showroom chain from Zale Corp., which plans to divest that operation as part of the company's restructuring into just a domestics and jewelry retailer.

Zale's "strategic redirection began about two years ago," Donald Zale, chairman and chief executive officer said, and was designed to "improve Zale's ongoing profitability and shareholder value." It will focus the company's operation on its Zale and Guild jewelry stores as well as its Diamond Park Fine Jewelers division which runs leased departments in both discount and

(Continued on page 57)

Purdy Heads Jewelcor Retail Unit

WILKES BARRE, Pa. — Less than a month after he resigned as president of Consumers Distributing (U.S.), Everett Purdy has joined Jewelcor Inc. as head of its Jewelcor Jewelers & Distributors retailing division.

As president of Jewelcor's retailing operations, which include a showroom chain and a catalog coordinator, Purdy is expected to spark what had been a lackluster operation whose sales have remained relatively flat at about $129 million over the past few years.

Prior to naming Purdy to the top spot, Jewelcor had operated without a single executive heading up its retail division. The company also did not have on staff an executive with Purdy's highly regarded merchandising reputation. That reputation was earned, in part, during Purdy's 12 year stint with cataloger Service Merchandise.

Known as an astute, hard driving merchandiser, Purdy is generally credited with engineering Service's strong marketing position from 1972 until 1984 when he left the company as senior vice president, merchandising to join CD (U.S.); he was hired away by that firm's Canadian parent to try to revive the flagging United States division.

(Continued on page 57)

Everett Purdy has joined Jewelcor Inc. as president of its Jewelcor Jewelers & Distributors retailing operation. He had been head of Consumers Distributing (U.S.).

Liability Expenses Threaten Retailers

WASHINGTON — After years of government apathy toward escalating insurance costs and claims, the crisis in personal and product liability that threatens retailers, manufacturers and many others has spurred action from lawmakers to curb liability damage excesses.

Adding fire to Federal and State proposals for tort system reform is President Reagan's package of recommendations, calling for a cap on noneconomic damages and sharp curtailment of lawyers' fees in liability cases.

Members of the Association of General Merchandise Chains are being polled on the President's package and other proposals now in Congress, according to AGMC President Edward T. Borda.

"There is concern in the industry about all kinds of liability, but there is not yet a concensus on what the solution is," Borda told *DSN*.

The Reagan recommendations would put a $100,000 cap on noneconomic awards and would grant punitive damages only for "willful conduct bordering on criminal violation." Attorney's fees—presently as high as 50% of settlement—would be limited by law on a sliding scale of 25% on the first $100,000 of the award to 10% for settlements over $300,000.

The White House proposal also calls for: a fault-based standard for liability; findings based on credible medical and scientific evidence; elimination of unpredictably "joint and several" liability; periodic payment of damages for future medical care or lost income; rather than lump sum awards, prevention of windfall double recoveries, and alternative dispute resolution mechanisms to resolve cases out of court.

In addition to the legislation expected from the Administration, other bills addressing liability concerns are already in the works on both sides of Capitol Hill. Amendments to current Federal product liability law introduced by Sen. Robert Kasten (R-Wis.) and Rep. Ron Wyden (D-Ore.), would allow businesses and some municipalities to form purchase groups to collectively buy insurance or create "risk retention groups" to collectively fund liability risks (except workmen's compensation). Wisconsin Rep. Toby Roth's Product Liability Uniform Standards bill would make negligence the sole test for all defects design and failure—to warn liability and get stricter standards for punitive damage awards.

State legislators are also seeking to plug the leaks in the liability system. During the first three months of 1986, liability reform bills were introduced in 13 states. Statutes of limitation on product liability claims were proposed in four states, in addition to legislation in six others that would increase protection for retailers and manufacturers.

Clover's Rittmayer Heads UPC Study Committee for NMRI

NEW YORK — A National Mass Retailing Institute (NMRI) committee will be formed to examine ways of tailoring the Universal Product Code (UPC) to fit discounters' special needs.

The group, a subcommittee of the NMRI's finance and management information services committee, will be headed by William Rittmayer, vice president for control and operations at Clover, a Philadelphia-based discounter.

The aim of the committee is to develop a standard for UPC coding that would "identify the merchandise at the level at which we reorder it," said Rittmayer. For example, he said, in the case of a T-shirt, "we need to know if it's a white V-neck T-shirt, size medium, because that's what we order. When we scan a day's business, our system must be told what the items are that we sold."

He added that many manufacturers are already supplying all the specific information discounters need in the bar codes.

Often, though, the type and amount of merchandise information is supplied at the discretion of the manufacturer, said NMRI president Richard Hersh.

This issue will continue to grow in importance as more and more mass merchandisers move into scanning merchandise at point-of-sale. K mart uses hand-held and fixed scanners at POS, has UPC coding on approximately 90% of hard lines items and is looking to code soft lines as well. Wal-Mart, which has coded about 90% of its merchandise, also uses hand-held and slot scanners at the front end, and UPC codes its own merchandise where the service is not supplied by the manufacturer.

Zayre is also moving ahead into scanning, while other chains like Target, Venture and Hills are still in the testing phase.

Rittmayer said Clover doesn't have scanning at POS but is moving in that direction. The chain is installing POS equipment in its stores and is now keying numbers at POS.

At the annual NMRI convention next month in Dallas, NMRI president Richard Hersh will make a presentation and request the board of directors to endorse the committee's efforts at creating a standard for UPC coding.

Reseek Bargaining Rights

Venture Workers Press Union Suit

WASHINGTON — A U.S. Supreme Court ruling has moved workers closer to reestablishing union representation at Venture's 10 Chicago area stores. The decision sets a precedent that could affect other independent unions seeking to merge with large, international unions.

In a suit similar to one filed by the Venture workers, the court overturned a regulation requiring that all workers—not just union members—receive the right to vote in a merger of two unions. A U.S. circuit court had upheld the regulation.

About 1,600 Venture workers in 10 Chicago stores lost their collective bargaining rights in 1981, after voting to merge their independent union with a large, international union.

Probationary employees who had not yet worked the 30 days required for union membership were not permitted to vote on the decision to merge the independent United Retail Workers Union with the United Food and Commercial Workers International Union, said Ron Powell, vice president of the union local.

The National Labor Relations Board ruled at the time that because all employees in the bargaining unit were not permitted to vote, both labor groups forfeited their rights to represent the workers. The

(Continued on page 58)

FTC Clarifies Layaway Guidelines

WASHINGTON — Discounters and other retailers who fail to disclose important terms of layaway purchase plans can be found in violation of two Federal laws, according to a Federal Trade Commission report released late last month.

Additionally, layaway practices could be affected by state laws which now exist in California, Idaho, Illinois, Massachusetts, Maryland, New York, Ohio, Rhode Island, the District of Columbia and New York City, FTC officials warned.

The report said that discounters who offer layaway plans designed for customers who want to buy merchandise without using credit or paying the full price immediately—should avoid using "vague" descriptions of the plan's payment terms.

"Inadequate" but "commonly" used "vague" phrases include "payments are due every 15 days." The FTC said this disclosure is unsatisfactory because it does not "tell your customers when their payments start, when the next payments are due, nor when the final payment must be made."

Other unacceptable phrases to the FTC include "payments must be made in three equal installments," and "final payment is due in three months." These terms fail to tell customers the beginning and ending dates of their layaway plans, as well as the exact dollar amount they must pay.

Retailers "may want to develop a standard payment disclosure format" which includes the required payment amounts, the dates when the payments are due and the date when the final payment must be made, the FTC said.

According to the trade commission's report, entitled Offering Layaways, other important aspects of layaway plans that should be disclosed include cancellation and refund policies, service or layaway charges and the location, availabliity and identification of layaway merchandise.

The report said that discounters should describe their cancellation and refund policy in "clear, simple and direct

(Continued on page 58)

Price Club Buys Warehouse, 20-Acre Tract in New Jersey

SAN DIEGO — The Price Club has added to its real estate holdings in the Northeast with the purchase a large piece of property and warehouse in Edison, N.J.

Although all of the Price Club's warehouses are roughly 100,000 sq.-ft. units, the Edison warehouse is 225,000 sq. ft. The structure occupies eleven acres on route 27 and Vineyard Road. The purchase also included a 20-acre wooded land parcel.

The West Coast based membership warehouse club has not yet decided how it will use the warehouse, according to Donald Howells, vice president of construction at Price Club. Since membership warehouses do not traditionally use distribution centers, trade observers speculate that Price Club will use at least some of the space for one of its own units and rent the rest out to other low-margin retailers.

The Price Club is going ahead with plans to open a 110,000 sq.-ft. warehouse in East Rutherford, N.J. by October of this year, said Howells. That unit is about 30 miles south of the Edison property.

Other warehouse plans for the East Coast include warehouses in Philadelphia and Smithtown, N.Y., both to be opened later this year.

Price Club currently operates 24 membership warehouse clubs, more than half of which are in California.

SOFT LINES
Save 37% on famous maker
Our price 9.99
Save 33% on a shirt he'll love to wear—a most famous logo
Comparable Value 21.00
Our price 13.99
Contemporary walk shorts—casual enough for a game of volleyball, dressy enough for a walk around town. Ours are styled by a famous maker in cool poly/cotton twill and feature two front pockets, one back pocket, and comfortable side-elastic waistband. Available in tan, navy, mauze, white, blue, gray, ivory, rose, and green. Sizes 30-42.
Comparable Value 20.00
Our price 13.99

Men's Active Wear Still Red Hot

Men's active wear is still red hot and pegged for growth. Strategies at Gemco and Prange Way are two pronged with soft lines buyers handling sporting goods apparel. Catalogers Best Products and Service Merchandise are competitors. In a catalog (above), Service featured tennis looks that could be athletic or casual. (See stories Page 9.)

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Committee Reviews DPP Model Tailored for Discount Store Use

CINCINNATI — A team of top merchandising and operations executives has reviewed Procter & Gamble's direct product profitability (DPP) model for discount stores in anticipation of presenting it before the National Mass Retailing Institute (NMRI) next month .

The group, composed of discount executives from Jamesway, Hills, Roses, Clover and Venture met recently with executives from Procter & Gamble, Management Horizons and Price Waterhouse to further contribute their input to the development of P & G's DPP methodology for the discount industry.

"We were reviewing the tailoring of the DPP number, taking the model and looking at all the components to see if what was submitted would pertain to our industry," said William Spieker, director of planogramming at Jamesway and a member of the retail advisory committee for this project. "A lot of components go into the DPP figure—measurement of wages, freight, handling . . . The food industry is using [the DPP measurement] now. Those components would have to be tailored to meet our specifications."

The meeting was part of Procter & Gamble's efforts to adapt its total systems efficiency (TSE) program, and its cornerstone concept DPP, which is already winning practical acceptance in the supermarket industry, to mass merchandising.

Over the past few months, P & G has traveled the country, presenting its methodology to senior management of several chains to generate interest in the project. At this last meeting, though, executives at the various chains reviewed the model, which had been tailored for the discount store chain, and added suggestions for its improvement.

One special measuring need of discounters, for example, is the time and cost involved in marking, handling and displaying apparel, which can be more involved than dealing with hard goods, said Spieker.

The DPP model will be presented before the industry next month at the NMRI's annual convention in Dallas.

Leading the meeting from P & G were Jack Gavin, project leader and corporate account manager; Roy Franchi, manager of sales planning, and Michael Friedman, senior project manager. James Samples, senior vice president of Management Horizons (the retailing consultant group affiliated with Price Waterhouse), which is working with P & G on the project, also attended.

The retailers present were: Jamesway's Spieker; Virginia Rago, senior director, merchandising systems development, Hills; John Carlen, senior vice president, operations, Venture; William Rittmayer, vice president for control and operations, Clo-

(Continued on page 58)

TV Ad Spending Up in 1985 at Major Off-Pricers

Chain	1985	1984	% Change
Marshalls	$10,603,700	$6,901,400	+ 54
Burlington Coat Factory	9,322,900	7,213,900	+ 29
C & R Clothiers	8,597,500	4,702,900	+ 83
T. J. Maxx	5,176,000	2,040,100	+154
Ross Stores	4,430,700	1,969,700	+125
Syms	2,917,400	2,276,500	+ 28
Men's Wearhouse	2,157,100	549,100	+293
Front Row	1,937,200	16,100	*
S&K Clothing	1,488,700	970,300	+ 53
Kids "R" Us	1,307,400	539,600	+142
T. H. Mandy	1,102,700	231,200	+377
National Brands Outlet	976,400	1,712,200	– 43

**Huge increase*
Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.

Mandy, T.J. Maxx Boost Ad Dollars

NEW YORK — T. H. Mandy led off-price retailers in boosting television advertising expenditures in 1985 by nearly quadrupling its budget last year to $5.2 million.

Another four of the country's top off-pricers more than doubled their television ad expenditures last year, according to Television Bureau of Advertising estimates of costs for the ads those chains ran, underscoring the intensity of the competition which has characterized the industry in recent months. Of the 13 chains whose expenditures were monitored, 12 showed an increase in TV air time usage.

U.S. Shoe Corp.'s two off-price operations, Front Row family stores and the T. H. Mandy ladies' wear chain, had the biggest jumps in spending.

The increases during 1985 at those chains represented a new emphasis on institutional ads suitable to television and a shift away from sale-oriented price-item ads typically run in newspapers, according to U.S. Shoe's Charles Boersig,

The Houston-based Men's Wearhouse, which increased its television ad budget by 300% last year, was a more exceptional case.

The chain had cut its television budget severely in the second half of 1984 due to poor overall sales. The 1985 increase represents a return to its pre-1984 ad level, said Rich Goldman, who directs advertising for the 26-unit chain.

Other chains that registered very high increases—T. J. Maxx, Kids "R" Us and C & R Clothiers—refused to comment on advertising strategies.

Men's wear off-pricer NBO (National Brands Outlet) was the only chain listed that decreased its television advertising last year.

During 1985, NBO's strategy was to utilize all media, reports Susan Leventhal, advertising director. However, the chain will focus on television in the future, she added.

"We found that unless you're a P & G with millions of dollars to spend you have to concentrate on one medium to be really effective."

In 1986 NBO's television advertising for its 20 stores in the New York metropolitan area and Washington D.C. will exceed the 1984 level, Leventhal said.

Closes Regional Office

Mervyn's Starts Denver Mkt. Push

BOULDER, Co. — Mervyn's has begun its push into greater Denver with the opening of an 82,000 sq.-ft. store, the beginning of what local real estate sourcers said will be an effort by the Dayton Hudson subisidary to blanket the market.

Expansion into Denver will come despite cost-cutting moves by the chain which include the closing of its regional buying office outside of Dallas. Mervyn's opened that buying office in 1984 to facilitate its thrust into the South Central part of the country and planned to open several additional such offices around the country as it drove into new markets.

The buying office, however, will be eliminated and 100 staffers moved back into Mervyn's headquarters in Hayward, Calif. In the future Mervyn's will handle all expansion from those headquarters, the chain said.

Mervyn's has embarked on a cost-cutting program in the face of a decline in earnings in the fourth quarter which resulted in a higher than anticipated operating expense to earnings ratio. The cost cutting, however, will not affect store openings. Mervyn's plans 23 new stores for this fiscal year.

The move into Western Colorado will represent Mervyn's most significant expansion so far into the heart of the country from its stronghold along the West Coast and in the Southwest. With aspirations as a national chain, Mervyn's has reportedly targeted markets as far east as Detroit for stores, possibly as soon as 1987, but to date the bulk of the chain's 150 stores are still in California and Texas.

On the heels of the Boulder store opening Mervyn's has already locked up four more sites in greater Denver and is expected to add more locations quickly according to a local shopping center developer.

The Boulder Mervyn's debuted in Crossroads Mall, an 800,000 sq.-ft. regional mall already anchored by J. C. Penney, Montgomery Ward, May D & F, and The Denver.

Mervyn's orientation as a promotional, family-oriented department store has already

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Howard's, Wickes Confer On Buyout Possibilities

MONROE, La. — Howard's president and chief executive officer James Dismore is continuing to work with the chain's parent company, Wickes, to "determine the feasibility and marketability" of the discount chain in an attempted leveraged buyout by Howard's executives.

But contrary to earlier indications that an LBO package would be presented to Wickes by Howard's within a few weeks of the parent company's March 20 announced intention to sell the 88-store chain, Dismore said he expects a longer process in his continuing talks with Wickes.

He declined to discuss a likely time frame for a buyout offer.

Glenn Hutchins, vice president, Thomas H. Lee Inc., in Boston, which specializes in leveraged buyouts and handled the Hills-SCOA transaction, said the timing of such a deal can vary radically depending on the company involved.

In certain situations, said Hutchins, a company in a strong financial position can move swiftly to close a deal and complete the details of the financing later. But in other cases, if financing is difficult to achieve, several scenarios could ensue, including a bidding war between the buyout group and other interested parties. Under such circumstances an LBO could take up to nine months to arrange.

Wickes has said that several other unidentified retail organizations have also expressed interest in the $400 million chain, which is being sold as part of Wickes' decision to divest itself of its general merchandising operations.

Designer Depot to Open N.Y. Office

NEW YORK — Designer Depot is planning to open its own buying office here, that will in part be comprised of employees who had been working directly with buying agent Fashion House before the contract between the two parties was terminated.

A spokesperson from K mart, parent company of Designer Depot, said that the new office will employ approximately 50 people and will be headed up by Matthew Moorfoot, senior vice president and general merchandise manager of the 74-unit chain.

At presstime, Moorfoot and chain president Robert Mulligan were combing the garment district here for office space.

K mart ended its relationship with Fashion House after filing a lawsuit in federal court earlier this month against the company, which had been responsible for purchasing all branded clothing for the off-price chain, and its president Jack Wasserman. A K mart statement explained: "The suit charged breach of a buying agency agreement and alleges that Fashion House and Jack Wasserman breached fiduciary obligations which they owed to K mart and were guilty of fraud and deceit in the purchase of merchandise."

This action followed an earlier suit in Providence, R.I. by Fashion House against K mart. The suit charged breach of contract.

Matthew Moorfoot, senior vp and gmm of Designer Depot, will head the new Manhattan buying office following K mart's termination of Designer Depot's buying agency contract with Fashion House.